



LOS ANGELES COUNTY

DEPARTMENT OF SOCIAL SERVICES & OFFICE OF THE DISTRICT ATTORNEY

Los Angeles County is requesting participation in the Enhanced IHSS Anti-Fraud Program. Our plan prescribes to the specific content requirements as outlined in the September 25, 2009 CDSS Letter to all County Board of Supervisors.

Board of Supervisor Approval

Approved on November 17, 2009, by the Los Angeles County Board of Supervisors.

Supervisor Don Knabe, Chairman of the Board

Signature:

A handwritten signature in black ink, appearing to read "Don Knabe", is written over a horizontal line.

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LOS ANGELES COUNTY IHSS ANTI-FRAUD PLAN

Executive Summary

The Department of Public Social Services and the Office of the District Attorney partnered with the California Department of Health Care Services (CDHCS) to include these initiatives in Los Angeles County's In-Home Supportive Services (IHSS) Fraud Prevention Plan. The Plan prescribes to the specific content requirements and components outlined in the September 25, 2009 CDSS letter to all County Board of Supervisors.

The proposals are both broad in scope and yet narrow in focus, as targeted strategies anchored on prior best practices and program integrity imperatives are strengthened and expanded through the funding opportunities created by the 2009 State Budget Act. The identified additional staff costs include salaries, benefits and indirect costs.

PROPOSED INITIATIVE	BRIEF EXPLANATION OF THE PROCESS
Create a Front End Verification Review (<i>FEVR</i>) Unit of Social Workers (SWs) to complete front end verification of applicant/customers who are referred by their SW due to questionable information	Modeled after our current Early Fraud Detection process used in CalWORKs and Food Stamps, this provides further scrutiny of IHSS consumers and providers who exhibit evidence or characteristics of potential program violation. The process will prevent issuance of incorrect benefits and require more in-depth verification and assessment than is usually needed for eligibility determination. Staffing: 21 – SWs, 3 - Supervising SWs Cost: \$3,746,000
Taskforce Approach	Taskforce approach maintains qualified investigative staff and promotes interagency cooperation to concurrently investigate the myriad of fraud related offenses committed in public aid programs. CalWORKs, Food Stamps and Child Care fraud have been the primary focus of these criminal investigations. However, DPSS, the District Attorney and CDHCS Investigators have discovered fraud activities related to the same suspects in the areas of Medi-Cal, Section 8 Housing, and IHSS. The current Inter-Agency Taskforce would expand to include IHSS investigators. Staffing: 7 - DPSS Investigators (WFI) 1 - DPSS Supervising Investigator (SWFI) 6 - Senior DA Investigators (DAI) 1 - Supervising DA Investigator DPSS Staff Cost: \$1,128,000 DA Staff Cost: \$1,383,000 Total Cost: \$2,511,000
Explore Use of Data Mining for IHSS Fraud Detection & Prevention	DPSS is currently exploring the use of Data Mining in Child Care fraud prevention and will explore the feasibility of utilizing this technology in IHSS. No cost in FY 09-10 Implement in FY 10-11 based on available funding
DPSS to work with L.A. County Registrar-Recorder to receive Death Notification prior to forwarding to State	DPSS will explore the feasibility of receiving Death Match information from the L.A. County Registrar-Recorder prior to or at the same time Los Angeles information is forwarded to CDHCS. No cost in FY 09-10 Implement in FY 10-11 based on available funding

LOS ANGELES COUNTY IHSS ANTI-FRAUD PLAN

Executive Summary

CDHCS to station an IHSS Fraud Investigator in each Regional IHSS Office	This is an ongoing initiative between DPSS and CDHCS that will continue as part of our IHSS fraud prevention plan. Staffing: Provided by CDHCS Cost: Minimal
District Attorney (DA) to provide a Deputy DA who will guide and provide training to DA/CDHCS/WFP&I Investigators on investigating & successfully prosecuting IHSS fraud	DPSS' current practice of working directly with DA prosecutors on CWs/FS fraud has proven very successful. This Deputy DA would provide training and work with investigative staff on IHSS cases sent forward for prosecution. Staffing: 1 - Deputy DA Cost: \$253,000
Project Manager for IHSS Anti-fraud Initiatives	Hire a consultant to explore IHSS anti-fraud initiatives recently signed into law (see attached) to determine implementation requirements and associated costs. Cost: \$55,000 (Retiree)
Front End Analysis of Referrals (triage)	Additional SW assigned full-time to triage incoming fraud referrals for accuracy and provide training and feedback. Staffing: 1 - SW Cost: \$154,000
Enhanced Quality Assurance/ Quality Improvement Program – (QA/QI)	Currently, Los Angeles County DPSS conducts quarterly QA/QI monitoring reviews on IHSS cases selected at random from all IHSS district offices and all Social Workers involved in the assessment process. With current available resources, sampling of the large IHSS caseload is limited. An additional unit of staff performing QA/QI will enable the review of an expanded sample of IHSS cases each quarter and additional focused reviews, and data match reviews in support of program integrity and fraud detection. Staffing: 5 - SWs, 1 - Supervising SW Cost: \$941,000
Fraud Prevention Tools for IHSS Line Staff	Develop training material on fraud prevention techniques and best practices. Cost: Minimal
Develop automated system to track all IHSS investigations in Los Angeles County	This is a plan requirement. CDHCS has a statewide tracking system that we will explore. Staffing: 1 - Principal Application Developer (PAD) 1 - Senior Principal Application Developer 2 - Information Systems Analyst II (ISA II) 1 - IT Tech Support Analyst II (TSA II) 1 - ITSSMA Consultant Staffing Cost: \$900,000 (Includes 277K for ITSSMA Consultant) IT Cost: \$900,000 Total Cost: \$1,800,000
TOTAL COST: \$9,460,000	Total Staff: 54 Positions Social Workers: 27 - SWs, 4 – SSWs DPSS Investigators: 7 - WFIs, 1 - SWFI, DA Investigators: 6 - Sr. DAIs, 1 - Supr DAI, 1 - Deputy DA DPSS IT Staff: 1 - PAD, 1 - Senior PAD, 2 - ISAs, 1 - TSA, 1 - Consultant, 1 - Retiree

**LOS ANGELES COUNTY IN-HOME SUPPORTIVE SERVICES (IHSS)
ANTI-FRAUD PLAN**

The following represents a comprehensive and collaborative anti-fraud Plan aimed at the prevention, detection, referral and investigation of fraud in the IHSS program. The Plan has been developed in partnership with our Los Angeles County District Attorney's office as well as the California Department of Health Care Services Investigations Section and the California Department of Social Services.

The Plan prescribes to the specific content requirements and components as outlined in your letter of September 25, 2009 to all County Board of Supervisors. The proposals inherent in the Plan are both broad in its scope and yet narrow in its focus, as targeted strategies, anchored on prior best practices and program integrity imperatives, are strengthened and expanded through the funding opportunities created by the 2009 State Budget Act. Los Angeles County is prepared and committed to commence work on all new initiatives described in this plan within 60 days of receipt of funding.

**I. LOS ANGELES COUNTY'S CURRENT AND PROPOSED ANTI-FRAUD
ACTIVITIES RELATED TO THE IHSS PROGRAM**

A. Current Activities

The 2007-2008 Civil Grand Jury Report made several recommendations to improve the integrity of the IHSS Program. In response, Los Angeles County Department of Public Social Services (DPSS) launched the first Statewide IHSS Fraud Prevention Roundtable in August, 2008. Officials from the Office of the District Attorney (DA), the California Department of Health Care Services (CDHCS) Investigations Section, California Department of Social Services (CDSS), the Social Security Administration (SSA) and DPSS participated in the discussion and made recommendations on strategies to mitigate fraud in IHSS and address any pertinent changes in State Regulations.

The IHSS Fraud Prevention Roundtable (the first of its kind in the State) produced positive outcomes. As a result of the many ideas from this workgroup, DPSS implemented the following activities:

- Centralized "Advance Pay" Cases.
- Centralized in each IHSS Region DPSS employee/provider cases.
- Developed a mechanism to share results of IHSS fraud referrals with staff.
- Restricted access to data entry/terminal operators based on job functions.
- Strengthened monthly and quarterly report reviews which indicate discrepancies and suspicious fraud activities and overpayments.

I. LOS ANGELES COUNTY'S CURRENT AND PROPOSED ANTI-FRAUD ACTIVITIES RELATED TO THE IHSS PROGRAM

A. Current Activities (Cont'd)

- **Social Worker (SW) Training**

IHSS SWs, Managers and Quality Assurance staff received a one-day training course presented collaboratively by the DPSS Training Academy, CDHCS and IHSS Program staff. This training will be provided annually to IHSS Social Workers and as needed to newly hired Social Workers. Beginning July 13 through August 6, 2009, over 1,000 staff were trained in the following areas:

- Fraud Awareness and Prevention Strategies
- How to Identify Fraud
- The IHSS Fraud Referral process, including the IHSS Fraud Checklist as a Tool
- Identify Potential IHSS Fraud Indicators
- Recognize External and Internal Fraud
- Document Fraud Allegations clearly on the Medi-Cal Complaint Form (MC 609-IHSS)
- The Court process, Subpoena and Testimony
- Restitution process

- **Data Exchanges**

Currently, IHSS data goes through data exchanges on the MEDS and CMIPS Statewide computer systems. MEDS and CMIPS data is exchanged with other automated databases maintained by federal, State and other agencies. Data is exchanged to verify demographic data, income, eligibility data, and eligibility status. These data exchanges serve to primarily help SWs verify income and eligibility factors and help to avoid errors in issuing benefits.

Specialized staff also review monthly and quarterly reports which indicate discrepancies and suspicious activities, such as, Recipient/Provider Death Match, Monthly Exceptions Report, SSI/SSP Terminations Report, Provider 300+ Paid Hours Report, No Timesheet Activity for 60 Days Report, Out of State Warrants Report, WeTip complaints and other federal, State, and County Agency communications reports. Unresolved cases are forwarded to CDHCS as a fraud referral.

B. Proposed Activities

DPSS and the Office of the District Attorney partnered with CDHCS to develop Los Angeles County's IHSS Fraud Prevention Plan and secure additional funding to enhance the integrity of the IHSS Program. Following is a description of additional initiatives which will enhance our current IHSS fraud prevention efforts.

I. LOS ANGELES COUNTY'S CURRENT AND PROPOSED ANTI-FRAUD ACTIVITIES RELATED TO THE IHSS PROGRAM

B. Proposed Activities (Cont'd)

- *Front End Verification Review (FEVR)*

Los Angeles County DPSS will develop and implement a Front End Verification Review process in the IHSS program, and will hire additional SWs needed to staff the program.

The Program, modeled after our very successful Early Fraud Detection Program in the CalWORKs and Food Stamp Program, will reduce potential overpayments, as well as the workload associated with them. Detecting and preventing fraud early in the application process is an important and well proven strategy in mitigating fraud.

This initiative provides further scrutiny of IHSS consumers and providers who exhibit evidence or characteristics of potential program violation. It will require more in-depth verification and assessment than is usually needed for eligibility determination.

DPSS in collaboration with the DA and CDHCS will develop an Error Prone Profile (EPP) for IHSS. An EPP is a list of characteristics that are common in error prone cases (Red Flags). The EPP will be reviewed and updated periodically to incorporate additional Red Flags that are relevant and cost effective. SWs will use the EPP to determine if a referral to the FEVR unit is appropriate.

A FEVR Unit, consisting of experienced SWs will be housed in each IHSS office location. Case-carrying SWs who encounter verification or information which is not consistent with the case record will make a referral to FEVR staff.

Referrals accepted by the FEVR SW will result in an unannounced home visit. The FEVR SW may conduct a new assessment of the IHSS consumer's eligibility or need for services and will make a fraud referral to CDHCS when the information or documents in question cannot be resolved or verified.

The following are some "high risk" or relevant characteristics for IHSS that SWs will use to determine if a FEVR interview is required:

- Information provided by either the IHSS consumer or provider is contradictory, incomplete or unclear.
- Fraud committed or alleged previously by an IHSS consumer or provider.
- The requested services or approved activities are questionable and there is a close financial or family relationship between the consumer and the provider.

I. LOS ANGELES COUNTY'S CURRENT AND PROPOSED ANTI-FRAUD ACTIVITIES RELATED TO THE IHSS PROGRAM

B. Proposed Activities (Cont'd)

- ***IHSS Fraud Prevention Taskforce***

DPSS will implement an IHSS Fraud Prevention Taskforce based on its successful Stage 1 Child Care Fraud Prevention Taskforce (created in 2004) to address issues related to the identification and prevention of fraud in the Child Care Program. This Taskforce, hosted by DPSS' Welfare Fraud Prevention & Investigation (WFP&I) Section, meets quarterly and includes staff from the Child Care Alliance, Alternate Payment Providers, Resource and Referral Agencies (APPs/R&Rs), the District Attorney, as well as staff from DPSS' Child Care Program Section and other sections with activities related to the Stage 1 Child Care Program.

The IHSS Fraud Prevention Taskforce will include staff from CDHCS, CDSS, DA, as well as staff from DPSS' WFP&I, IHSS Line and Program sections and other sections within the department.

- ***Data Mining***

Following a very successful pilot, Los Angeles County will implement Data Mining for the investigation of fraud in the Stage 1 Child Care Program in early 2010. The pilot objective was to demonstrate that Data Mining and advanced predictive analytics can significantly improve the current fraud detection process. Specifically, the County was seeking to focus on the following:

- Pre-emptive referrals (in addition to APP referrals) using historically known fraud patterns;
- Earlier detection of potential fraud;
- Improve the quality of referrals; and
- Facilitate the investigation of collusive fraud rings through network analysis.

To achieve this objective, the pilot project used historical data to validate solutions which can then be used effectively in a predictive manner. In total, seven solution components were confirmed after extensive collaboration with the CEO, DPSS, and WFP&I staff, after which three were chosen for development in the pilot project.

Once Data Mining is fully implemented in the Stage 1 Child Care Program, the County proposes to expand its use to identify fraud in the IHSS Program.

I. LOS ANGELES COUNTY'S CURRENT AND PROPOSED ANTI-FRAUD ACTIVITIES RELATED TO THE IHSS PROGRAM

B. Proposed Activities (Cont'd)

- *Death Match*

Currently, staff review data exchange information on a California Department of Social Services (CDSS) Quarterly Death Match report identifying Medi-Cal recipients reported as deceased to determine if an overpayment has occurred. However, the data is several months old and only available in hard copy. In order to identify overpayments more timely, DPSS will explore the feasibility of receiving the data directly from the Los Angeles County Registrar-Recorder or Department of Public Health.

II. COLLABORATION AND PARTNERSHIP WITH THE DISTRICT ATTORNEY RELATED TO THE IHSS PROGRAM

Los Angeles County DPSS has enjoyed a longstanding and successful collaboration with the DA and the Department of Probation in the prevention, investigation, prosecution and monitoring of individuals committing welfare fraud.

DPSS currently maintains and funds a Memorandum of Understanding (MOU) with the DA for Recipient Welfare Fraud Investigation, Internal Affairs Investigation, and prosecution of CalWORKs and Food Stamp fraud at a yearly cost of \$9,403,000. This MOU has resulted in a very successful partnership in combating welfare fraud in the CalWORKs and Food Stamp Program. DPSS also has funds and maintains a MOU with the Probation Department for the Supervision of Persons convicted of Welfare Fraud at a cost of \$850,000.

In May 2009, the DA's Recipient Welfare Fraud Investigation Unit Section, in collaboration with WFP&I, implemented a Public Assistance Crime Enforcement (PACE) Taskforce. The purpose of PACE is to maintain qualified investigative staff and promote interagency cooperation to concurrently investigate the myriad of fraud related offenses committed against a variety of public agencies.

CalWORKs, Food Stamps and Child Care Fraud have been the primary focus of these criminal investigations; however, WFP&I, DA and CDHCS Investigators have discovered fraud activities related to the same suspects in the areas of Medi-Cal, Section 8 Housing, and In-Home Supportive Services (IHSS).

Investigators assigned to PACE currently conduct joint field operations on their respective cases. Having Investigators from the various agencies all located in the same facility builds upon ongoing collaboration and partnership to formally investigate fraud in all programs, including IHSS. This taskforce approach ensures team cohesiveness, accountability and unified tracking methodology to aid in the determination of program outcomes. DPSS' current practice of working directly with DA prosecutors on CWs/FS fraud has proven very successful. As part of this plan, a Deputy DA will provide training and work with investigative staff on IHSS cases sent forward for prosecution.

III. COUNTY COLLABORATION AND PARTNERSHIPS WITH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (CDHCS) AND THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS) RELATED TO THE IHSS PROGRAM

DPSS and the Office of the District Attorney in Los Angeles will continue to collaborate extensively with its partners in CDHCS and CDSS to ensure program integrity efforts. As stated earlier, Los Angeles County launched the first Statewide IHSS Fraud Prevention Roundtable in August 2008 with participation from CDHCS and CDSS. Many ideas from this workgroup have already been implemented in Los Angeles and we are committed to continue working closely with CDSS' Adult Programs Branch and Fraud Bureau, as well as with CDHCS' Investigation Section in the implementation of this plan.

Expanding the PACE Team Concept

In August 2009, investigative staff from CDHCS joined the PACE Team, specifically to provide an investigative source for IHSS and Medi-Cal fraud. Future plans are being developed to add the following agencies to the PACE Team: Social Security Administration, Department of Motor Vehicles, Internal Revenue Service, and City, County, and Federal Housing Authority (Section 8.) In addition, we are expanding PACE by adding an additional unit of Investigators from both WFP&I and the DA.

The CDHCS is working with DPSS to house one of their investigators in each of our IHSS Regions. This is an ongoing initiative between DPSS and CDHCS that will continue as part of our IHSS fraud prevention plan. Staffing will be provided by CDHCS

IV. DESCRIPTION OF HOW THE COUNTY WILL INTEGRATE OTHER PROGRAM INTEGRITY EFFORTS

The Budget for Fiscal Year 2009-2010 signed by the Governor in July 2009 includes new regulations for IHSS fraud prevention and references strong anti-fraud initiatives to be enforced by counties as part of the IHSS fraud detection and prevention effort. In an effort to comply with the new State mandate, Los Angeles County has opted to explore the feasibility of hiring a consultant (Retiree) to ensure the timely implementation of the following required Program Integrity initiatives:

Anti-Fraud Initiatives	Effective Date
<u>New Provider Orientation</u> All prospective providers must complete orientation at time of enrollment. (ABX4 19 Sec 3)	November 1, 2009
<u>Provider Enrollment Form</u> County staff must view original documents and see provider in person. (ABX4 4, Sec 27)	November 1, 2009
<u>New Provider Background Check (Non-Registry)</u> Requires county to background check new providers not listed on a registry. (ABX4 19 Sec 11)	November 1, 2009
<u>Current Provider Orientation</u> All current providers must receive orientation information and submit a signed agreement. (ABX4 19 Sec 3)	Between November 1, 2009 and June 30, 2010
<u>Current Provider Background Check (Non-Registry)</u> Requires new providers to background check current providers not listed on a registry. (ABX4 19 Sec 11)	July 1, 2010
<u>Notification of Suspect Fraud</u> Requires county to notify CDSS and DHCS if it concludes that there is reliable evidence that a provider or recipient has engaged in fraud. (ABX4 19 Sec 9).	Effective the date the legislation takes effect.
<u>Provider Address</u> States that a provider enrollment form must use a physical address and that checks cannot be mailed to a Postal Office Box unless the county approves a request from the provider.(ABX4 19 Sec 10)	Effective the date the legislation takes effect.
<u>New Provider Background Check (Registry)</u> Requires new providers to submit a background check to be on the registry. (ABX4 19 Sec 5)	Effective the date the legislation takes effect.
<u>Targeted Mailers</u> CDSS shall consult with County Welfare Departments (CWDs) and stakeholders to develop protocols for the implementation of targeted mailings. (ABX4 19 Sec 6)	Effective the date legislation takes effect. No due date for protocols.
<u>Home Visits</u> Adds to county QA functions that monitoring "may include" a home visit to verify receipt of services, and requires CDSS to develop protocols for the visits in consultation with CWDs. (ABX4 19 Sec 7)	Effective the date the legislation takes effect. No due date for protocols.

V. IHSS FRAUD REFERRALS/OUTCOMES

Effective April 2005, SB 1104 implemented new policies that enhanced detection and prevention of IHSS fraud. Welfare and Institution Code (WIC) Section 12305.82 established the authority and process for preventing, detecting, and investigating fraud in the IHSS Program. The Statute requires all suspected IHSS fraud to be referred to CDHCS for investigation. It also requires CDSS, CDHCS, and county Quality Assurance (QA) staff to work collectively to:

- Detect and prevent IHSS fraud based on applicable laws/regulation which include due process requirements;
- Take appropriate administrative action; and
- Refer suspected criminal offenses to law enforcement agencies.

Current IHSS Fraud Referral Procedures

CDHCS has the authority to pursue in a civil or criminal action, any person who receives funds or benefits to which he/she is not entitled. CDHCS is required to take all reasonable steps necessary to recoup or recover from a consumer and/or provider any overpayments made for IHSS services.

Currently, the IHSS Fraud Referral process is centralized in L.A. County. SWs from the various IHSS offices forward referrals to DPSS Headquarters for review and triage, prior to forwarding to CDHCS for investigation. This process, developed in collaboration with CDHCS, has streamlined the referral process, strengthened the accompanying documentation and reduced the number of negative referrals.

- IHSS Fraud Liaisons cooperate with CDHCS Fraud Investigators on inquiries, as needed, and provide any additional requested documents.
- Referrals are received, reviewed and prioritized by a CDHCS Supervising Fraud Investigator.
- Priority is determined based on a high propensity that the investigation will result in fraud findings and the likelihood of the investigation resulting in a criminal filing.
- Consideration is also given to the complexity of the cases.
- CDHCS resolves most outstanding overpayments. However, if the overpayment is over \$2,000 and the actions of the suspect justifies criminal charges be filed, the case is referred to the District Attorney's Office.

Expanded Triage Approach

The triage approach has proven successful in reducing the number of unsubstantiated referrals and allows Investigators to concentrate on cases with a high probability of fraud. As part of this plan, we will add an additional SW to this function in order to further expedite the referral process to CDHCS.

Internal fraud is handled by the Internal Affairs Unit at Human Resources Division. This type of fraud is reported to the Office of County Investigations—Employee Fraud Hotline.

V. IHSS FRAUD REFERRALS/OUTCOMES (Cont'd)

Fraud Referrals

As part of this plan, we will continue to work closely with CDHCS. Referrals will be handled as follows:

- Suspected fraud involving only the IHSS consumer and/or provider will be referred to CDHCS.
- Suspected fraud on a case that involves multiple programs, i.e., CW/FS and IHSS, will be referred to the PACE Team.

DPSS, the DA and CDHCS staff will work together to ensure that only one investigation is conducted on referrals or allegations received by more than one agency.

Fraud Referral Process

A fraud investigation is an in-depth analysis that may involve a review of an entire case file as well as an examination of the particular elements that caused the review. The investigation is directed toward determining the accuracy of fraud allegations and the intent to commit fraud. The investigation may lead to prosecution.

The decision to refer the case to the DA Investigation Unit or the CDHCS Investigation Unit is the responsibility of DPSS.

The Investigator will use the information provided by the investigative report to help make the decision to refer for prosecution. Referral to the DA for prosecution consideration must meet the following criteria:

1. The misrepresentation or concealment was done knowingly and deliberately.
2. The purpose of the misrepresentation or concealment was to get IHSS funding to which the person was not entitled.
3. Had the facts been known to the agency, the IHSS funding would have been denied, discontinued, or reduced.

Appeal Process

Consumers who believe that an agency decision regarding any component of the IHSS Program is incorrect may request a fair hearing through the State Hearings and Appeals Division within 90 days from the date of the Notice of Action.

Confidentiality & Routine Disclosure

Both DPSS and the DA shall adhere to CDHCS confidentiality policies. Information about the consumer, provider, or reasons for the investigation shall not be divulged. IHSS consumer records and data are confidential and shall be open to public inspection or disclosure only to the extent required by State or federal law. DPSS, DA, and/or CDHCS Investigators may disclose information from the record to any official conducting an investigation, prosecution, or civil proceeding in connection with administration of the IHSS program to the extent necessary.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA

Quality Assurance Reviews

The IHSS Quality Assurance/Quality Improvement (QA/QI) program was implemented in December 2005 and Los Angeles County began conducting IHSS QA reviews in January 2006. During this period, Los Angeles County did not capture and report dollar amounts associated with those cases identified as having actual under/overpayments.

Los Angeles County has a dedicated IHSS QA/QI unit, consisting of one Social Services Supervisor and six allocated Social Workers whose full-time job is performance of the IHSS QA activities. Currently, Los Angeles County DPSS conducts quarterly QA/QI monitoring reviews on IHSS cases selected at random from all IHSS district offices and all Social Workers involved in the assessment process. In the monitoring process, each of the full-time IHSS QA Social Workers is required to complete at least 250 desk reviews and conduct home visits for a sub-sample of 50 cases each fiscal year. This represents a small sampling of the Los Angeles County IHSS caseload.

Enhanced QA/QI Program

An additional unit will allow an expanded sample of IHSS cases each quarter and additional focused reviews in support of program integrity and fraud detection. The unit will consist of five SWs, and a Supervisor. This unit will identify potential overpayments/underpayments and also identify training needs and error trends.

Based on these results, the Department will develop training material on fraud prevention techniques and best practices.

- **The Review Process**

The QA/QI reviews cover the following IHSS programs as mandated by the State: Personal Care Services Program (PCSP), IHSS Plus Waiver (IPW) and IHSS Residual (IHSS-R). The reviews cover key areas of assessment and include full case reviews, focused reviews and home visits, leading to corrective action and the need to monitor for overpayments, underpayments and other actions, as appropriate.

Full Case Reviews are conducted to verify that Social Workers applied appropriate actions in the following areas: timely application processing, eligibility determination, needs assessment, provider payroll process, and civil rights compliance.

Focused Reviews are conducted to verify that SWs applied appropriate actions for timely application processing, eligibility determination and needs assessment, and to verify appropriate actions in a specific service area, e.g., Protective Services, Paramedical, Civil Rights Compliance, Provider Payroll, etc.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA (Cont'd)

Data Match Reviews are conducted to ensure that duplicate payments are not issued for identical services or for services that supplant the services provided by supportive services programs. Two examples of data match reports are the Provider 300+ Paid Hours and the Death Match Report.

- The Provider 300+ Paid Hours Report consists of providers who have worked 300 or more hours per month for one or more consumers. These cases are reviewed by Social Workers to ensure quality services are provided to the consumer and the consumer's safety.
- The Death Match Report is issued quarterly by the State Controller's Office and matched to the consumers'/providers' Social Security Number and the number of payments, and amount paid/made after the reported date of death.

The above noted focused reports are distributed to IHSS district offices to confirm the hours worked and the benefits rendered. QA re-reviews the matches to determine that appropriate actions have been taken. If errors are identified in the re-review, districts are requested to take corrective action, including initiating fraud referrals, and confirm to QA staff with supporting documentation within the established timeframe.

- IHSS QA Review Data Collection

- Part 1 - Pre-Review and Preliminary Case Assessment*

- Conduct Entrance Conference with district managers and liaisons to explain scope, methodology and timeline of review.
 - Reconcile sample case listing and confirm availability of physical case files.
 - Access CMIPS and MEDS to validate sample case/consumer data.

- Part 2 - Physical Case Desk Review*

- Validate appropriate application of State/federal regulations using the Manual of Policy and Procedures and review tools specific to the designated type of review.
 - Reviewer verifies the following and documents inconsistencies on the review tool:
 - Timeliness of IHSS application processing, and physical application
 - Approved case - last face-to-face meeting with consumer conducted within the last 12 months.
 - Terminated/Denied case – Social Worker appropriately documented reason(s) for termination/denial & input correct termination/denial code in CMIPS.
 - Timely issuance of Notice of Action (NOA) to consumer and filed in case folder.
 - Applicable State/County forms on file and complete.
 - Data on County budget worksheet matches data input on State forms.
 - Case documentation for entire case review covers 5 review areas and actions are justified.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA (Cont'd)

Part 3 - Home Visits

- For a sub-sample of desk review cases, home visits are conducted to validate information in case files with the results reported on the QA Home Visit Questionnaire.
- Discovered inconsistencies are reported to the districts with a request to follow up and conduct a subsequent home call or phone call to the consumer or provider.
- Districts are further requested to take immediate action, including initiating fraud referrals, and to provide QA staff with a report of completed corrective action, including supporting documentation, within the established timeframe.
- QA staff controls for verification of necessary action.

Part 4 - Reporting QA Findings

As the QA reviewers annotate procedural errors and inconsistencies directly on the review tool, the review tool serves to: inform district management of the review findings, identify all items that require corrective action, request a corrective action response, and reflect the response due date.

Underpayments/Overpayments

The QA review tool indicates inconsistencies which identify potential underpayments/overpayments that are subsequently reported to district management with a request to closely evaluate these findings, validate the cause of identified underpayments/overpayments, submit a corrective action response with supporting documentation, including fraud referrals, as appropriate, and confirm completion to QA staff within the established timeframe. Causes for underpayments/overpayments may be: 1) a time gap in the date of IHSS consumer eligibility and services rendered and the effective date of services input on CMIPS, 2) agency errors such as incorrect computations in service hours or functional index values.

Potential Fraudulent Activities and Fraud Indicators

The subject activities/indicators include the following: consumer falsifies severity of disability to obtain services with higher service hours; consumer and provider collusion and misuse of IHSS funds; provider submits timesheets and claims payment while consumer is hospitalized, institutionalized, out of town, incarcerated and/or whereabouts are unknown, and provider submits timesheets and claims payment after the consumer's death. District management is requested to closely evaluate these findings, validate the cause of potentially fraudulent activities and submit a corrective action response, including supporting documentation, and confirm completion to QA staff within the established timeframe.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA (Cont'd)

Part 5 – QA Follow-Up

Upon receipt of all corrective action responses from each district, the QA Unit Monitors will flag any outstanding issues, and follow-up, as needed, according to the established review timeline.

- **Benefit Recovery**

DPSS, the DA and CDHCS will coordinate IHSS benefit recovery efforts. Los Angeles County takes all steps necessary to recoup or recover from the consumer or provider funds paid to the IHSS provider when the consumer was not eligible for the level of benefits paid.

Consumer Overpayments

There are three types of overpayments:

1. **Consumer/Provider Error.** The consumer or provider reported incorrect information or failed to report information.
2. **Administrative Error.** Overpayment results from agency or system error. The agency commits an error or the system calculates an authorization for more than the consumer was entitled.
3. **Intentional Program Violation.** The consumer or provider willfully reported information or failed to report information in order to receive more benefits.

Designated staff shall recover an overpayment from the consumer when he/she receives benefits for which he/she was not eligible such as:

- The authorized amount of IHSS services would have been less due to inaccurate reporting of income. The excess amount paid is considered as an overpayment.
- The consumer was absent from the State/County and services claimed were not provided.
- There would not have been eligibility if income, resources and/or the need for IHSS services had been accurately reported.
- A change in income, resources, and the need for IHSS services and/or household composition was not reported within 10 days of the change and the change would have resulted in a lesser benefit received.
- When the Social Worker did not act upon reported information or entered incorrect information into the CMIPS system that resulted in an eligibility related overpayment.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA (Cont'd)

Provider Overpayments

Designated staff shall recover an overpayment from a Provider when:

- Provider received payment for services they did not provide and/or operating outside of regulations.
- Provider recorded incorrect hours of service which caused an overpayment.
- When the Social Worker entered incorrect authorization or provider information or failed to act on reported information resulting in an authorization related overpayment.
- The Provider did not report when a customer stopped using their services.

Establishing Overpayment Claims for Providers

DPSS must make efforts to establish overpayment claims within 30 days of discovery of the overpayment. DPSS must complete and mail to the Provider a worksheet showing how the amount of the overpayment was calculated.

Recovery of Consumer Overpayments

Recovery of consumer overpayments requires a payment agreement. All consumers for whom an overpayment has been calculated are required to complete and sign a repayment agreement. Once the repayment agreement has been completed, CDHCS will send the consumer a benefit recovery notice.

In the event of unsuccessful collection efforts and after the third notice, CDHCS will begin centralized collection efforts. Tax intercept may be used to obtain repayment. Claims may also be collected through the use of the Department of Revenue (DOR) Tax Offset Program.

Recovery from Providers

All overpayments made to Providers due to fraud or administrative error must be collected. For situations where a Provider provides services, and it is later discovered that the consumer was not eligible or entitled to that service, the Provider may not be penalized for giving care in good faith. The ineligible consumer is responsible for the overpayment.

For all Providers, overpayments are recorded by entering the amount of the negative adjustment in CMIPS for the specific authorizations and weeks for which the overpayment took place.

VI. IHSS OVERPAYMENTS/UNDERPAYMENTS ACTIVITIES AND DATA

Recovery from Providers (Cont'd)

Recovery will occur in one of the following ways depending on the Provider's status:

1. If the Provider is active and has a current authorization that they are receiving payment for, CMIPS will deduct a specific amount from the Provider's future payments until the negative adjustment has been satisfied.
2. If the Provider is not active and/or is not receiving payments, the negative adjustment will be automatically referred to the benefit recovery section and the repayment agreement process will begin.

We are confident that by implementing these collective strategies we will not only mitigate fraud but also reduce the occurrence of overpayments and underpayments. Our targeted focus during the initial application process, in tandem with the implementation of new provider requirements aimed at reducing fraud, will not only deter but also identify fraud early in the process rather than later.

VII. PROPOSED BUDGET FOR UTILIZATION OF FUNDS

The costs associated with the IHSS program integrity enhancements incorporated in this plan are within the budgeted amount appropriated to Los Angeles County as part of the State's Budget Act of 2009, and as outlined in the September 25, 2009 letter to all County Board of Supervisors, for the purposes of fraud prevention, detection referral, investigation, and additional program integrity efforts related to IHSS. Our total estimated annual costs to implement these initiatives are \$9,460,000. These costs will be prorated based on plan approval and allocation of funds.

VIII. ANNUAL OUTCOMES REPORT

Los Angeles County DPSS will provide an annual outcomes report by August 1 of each year, identifying activities, data and outcomes associated with the County's efforts to mitigate, prevent, detect, investigate and prosecute IHSS fraud during the previous fiscal year in a format to be provided by CDSS.

IX. TRACKING/REPORTING IHSS FRAUD DATA AND ACTIVITIES

Los Angeles County DPSS will develop a system to track and report outcomes of its efforts to CDSS. We will track data on overpayments/underpayments, the number of fraud referrals, and their outcomes and utilization of the District Attorney in combating IHSS fraud. SFY 2009-10 data will be provided by August 1, 2010 in the required format designated by CDSS. (See Enclosure D)

In addition, Los Angeles County DPSS will submit the required Plan on June 1, 2010, and each subsequent year, which includes updates to the previous year's Plan, as well as an agreement to continue tracking, reporting, and submitting final data for the previous fiscal year to CDSS by August 1.

County:

LOS ANGELES

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Breakdown of Causes	Total Amount per Fiscal Year:	**	**	**	**	**
	Number of Instances:		531	0	3	4
	Provider:	**	**	**	**	**
	Recipient:	**	**	**	**	**
	County Error:	**	**	**	**	**
	Unknown:	**	531	0	3	4
	Other:	**	**	**	**	**

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Breakdown of Causes	Total Amount per Fiscal Year:	**	**	**	**	**
	Number of Instances:	**	84	0	7	0
	Provider:	**	**	**	**	**
	Recipient:	**	**	**	**	**
	County Error:	**	**	**	**	**
	Unknown:	**	84	0	7	0
	Other:	**	**	**	**	**

Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09
Individuals Responsible	Number of referrals to DHCS:	44	100	217	164	491
	Number of handled locally by DA:	*	*	*	*	*
	Number of convictions:	3	15	2	0	0
	Court Ordered Restitution:	11	13	5	49	106
	Amount of funds involved in the convictions:	\$373,882.52	\$480,818.07	\$189,558.68	\$116,144.40	\$167,662.59
	Amount of funds recovered:	\$6,582.00	\$4,623.18	\$414.08	\$414.08	\$43.76
	Amount of funds pending recovery:	\$36,720.52	\$476,194.89	\$189,144.60	\$115,730.32	\$167,618.83
	Basis for the Conviction:	**	**	**	**	**
	Recipient:	**	**	**	**	**
	Provider:	**	**	**	**	**
	County Staff:	**	**	**	**	**
	Other:	**	**	**	**	**
	Unknown:	**	**	**	**	**

Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Outcomes	Documented referrals to DA					
	Accepted:	3	15	2	0	0
	Rejected:	1	0	0	0	1
	Pending:	0	0	0	0	0
	Completed Investigation					
	No Fraud:	N/A	N/A	N/A	N/A	N/A
	Restitution Action:	14	28	7	49	106
	Referred for Prosecution:					
	Criminal Charges Filed:	8	4	10	7	4
	No Charged Filed:					
	Convictions:	3	15	2	0	0
	Acquittals:	N/A				
	Dismissals:	1	0	0	0	1
	Pending Investigation:	**	**	**	**	**
	Restitution					
	Court Ordered:					
	Restitution Action:	14	28	7	49	106
	Fines					
	Prosecutions Completed					
	Convictions	3	15	2	0	0
	Misdemeanor:	**	**	**	**	**
	Felony:	**	**	**	**	**

* IHSS does not directly refer cases to DA

** Unknown

Budget Justification

Los Angeles County's Annualized Fraud Funding Plan for FY 2009-10

Budget Section	Total
A. Personnel Costs (includes employee benefits)	\$ 4,021,865
B. Operating Expenses	\$
C. Equipment Expenses	\$
D. Travel/Per Diem and Training	\$
E. Subcontracts and Consultants	\$ 1,968,000
F. Other Costs	\$ 900,000
G. Indirect Expenses	\$ 2,570,239
Total Expenses	\$ 9,460,104

A. Personnel Costs (including employee benefits)	Total Budget
Title: Social Worker 21.0 FTE Salary Calculation: FY Salary (\$1,130,420) + benefits (\$672,164) Duties Description: Work in the Front End Verification Review (FEVR) Unit. Complete front end verification of applicant/customers who are referred by their respective Social Worker due to questionable information. Prevent issuance of incorrect benefits and require more in-depth verification and assessment than is usually needed for eligibility determination.	\$ 1,802,584
Title: Social Services Supervisor 3.0 FTE Salary Calculation: FY Salary (\$184,932) + benefits (\$105,212) Duties Description: Supervise the Front End Verification Review (FEVR) Unit. Supervise front end verification of applicant/customers who are referred by their respective Social Worker due to questionable information. Supervise Social Workers that prevent issuance of incorrect benefits and require more in-depth verification and assessment than is usually needed for eligibility determination.	\$ 290,144
Title: Welfare Fraud Investigator 7.0 FTE Salary Calculation: FY Salary (\$373,106) + benefits (\$227,318) Duties Description: Work in the Inter-Agency Taskforce Unit that maintains qualified investigative staff and promoted interagency cooperation to concurrently investigate fraud related offenses committed in public aid programs such as CalWORKs, Food Stamps, and Child Care. This current Inter-Agency Taskforce would expand to include IHSS investigations.	\$ 600,424
Title: Supervising Welfare Fraud Investigator 1.0 FTE Salary Calculation: FY Salary (\$59,411) + benefits (\$34,869) Duties Description: Supervises the Welfare Fraud Investigators in the Inter-Agency Taskforce Unit dedicated to investigate fraud related offenses committed in IHSS	\$ 94,280
Title: Social Worker 1.0 FTE Salary Calculation: FY Salary (\$53,830) + benefits (\$32,008) Duties Description: Works in the Front End Analysis of Referrals (Triage). Assigned to triage incoming fraud referrals for accuracy and provides training and feedback.	\$ 85,838

Title: Social Worker 5.0 FTE Salary Calculation: FY Salary (\$269,148) + benefits (\$160,039) Duties Description: Work in the Enhanced Quality Assurance / Quality Improvement Program (QA/QI). Review an expanded sample of IHSS cases selected at random each quarter, additional focus reviews, and data match reviews in support of program integrity and fraud detection.	\$ 429,187
Title: Social Services Supervisor 1.0 FTE Salary Calculation: FY Salary (\$61,644) + benefits (\$35,071) Duties Description: Supervises the Enhanced Quality Assurance / Quality Improvement Program (QA/QI). Supervises the review of an expanded sample of IHSS cases selected at random each quarter, supervises additional focus reviews, and supervises data match reviews in support of program integrity and fraud detection.	\$ 96,715
Title: Principal Application Developer 1.0 FTE Salary Calculation: FY Salary (\$100,940) + benefits (\$58,664) Duties Description: Works to develop automated system to track all IHSS investigations in Los Angeles County.	\$159,604
Title: Senior Application Developer 1.0 FTE Salary Calculation: FY Salary (\$85,146) + benefits (\$44,956) Duties Description: Works to develop automated system to track all IHSS investigations in Los Angeles County.	\$ 130,102
Title: Information Systems Analyst II 2.0 FTE Salary Calculation: FY Salary (\$148,692) + benefits (\$81,445) Duties Description: Works to develop automated system to track all IHSS investigations in Los Angeles County.	\$ 230,137
Title: IT Tech Support Analyst II 1.0 FTE Salary Calculation: FY Salary (\$65,568) + benefits (\$37,282) Duties Description: Works to develop automated system to track all IHSS investigations in Los Angeles County.	\$ 102,850
Total Personnel Costs:	\$ 4,021,865

B. Operating Expenses	Total Budget
Title:	\$
Description:	
Total Operating Expenses:	\$

C. Equipment Expenses	Total Budget
Title:	\$
Description:	
Total Equipment Expenses:	\$

D. Travel/Per Diem and Training	Total Budget
Title:	\$
Description:	
Total Travel/Per Diem and Training:	\$

E. Subcontracts and Consultants	Total Budget
Title: Consultant (Retiree) 1.0 FTE	\$55,000
Description: Project Manager for Anti-Fraud Activities	
Title: ITSSMA Consultant 1.0 FTE	\$ 277,000
Description: Works to develop automated system to track all IHSS investigations in Los Angeles County.	
Title: District Attorney (DA) Memorandum of Understanding (MOU) increase	\$ 1,636,000
Description: Includes the cost of six Senior DA Investigators and one Supervising DA Investigator that will work in the Inter-Agency Taskforce Unit that maintains qualified investigative staff and promotes interagency cooperation to concurrently investigate fraud related offenses committed in public aid programs such as CalWORKs, Food Stamps, and Child Care. The current Inter-Agency Taskforce would expand to include IHSS investigators. Includes the cost of one Deputy DA in charge of training staff about IHSS fraud.	
Total Subcontracts and Consultants:	\$ 1,968,000

F. Other Costs	Total Budget
Title: Information Technology Costs	\$900,000
Description: To cover the cost for the Internal Services Department (ISD) to host the automated IHSS Fraud Investigation System. This includes services, hardware and software acquisition.	
Total Other Costs:	\$900,000

G. Indirect Expenses	Total Budget
Title: Overhead Costs Description: To cover ongoing expenses like supplies, computer software, postage and printing, miscellaneous office supplies, utilities, rent, administrative and clerical support, etc, that are necessary to the continued functioning of our Department.	\$ 2,570,239
Total Other Costs:	\$ 2,570,239